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INFO RUEHLB/AMEMBASSY BEIRUT 3088
RUEHEG/AMEMBASSY CAIRO 4118
RUEHDM/AMEMBASSY DAMASCUS 4227
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RUEHTV/AMEMBASSY TEL AVIV 1833
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SENSITIVE
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STATE FOR NEA/ELA AND EEB/TTP/ABT
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FAS/TRADE PROGRAMS, FAS/GLOBAL ANALYSIS FAS FOR OFFICE OF GLOBAL
ANALYSIS

E.O. 12958: N/A

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SUBJECT: Agricultural Trade between Jordan and Iraq Reportedly
Resumes

REFS: A) Amman 1867
B) Amman 1579
C) 08 Amman 79

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¶1. (SBU) Iraq has reportedly reopened its market to Jordanian fruits and vegetables after a three-month closure. Representatives of the Jordanian Exporters and Producers of Fruits and Vegetables Association (JEPA) maintain the ban was imposed to facilitate the Iraqi import of Iranian produce, a view shared by Ministry of Agriculture (MOA) officials. Iraqi officials however, according MOA Assistant Secretary General for Technical Affairs Dr. Mahmoud Najdawi, claimed the ban was technical in nature and also protected Iraqi farmers during their harvest. Although only peaches and cucumbers have been exported to date, Jordan's public and private sectors welcome the resumption of trade to what has been historically Jordan's largest market for fresh fruits and vegetables, receiving a past daily average of 12,000 tons of produce.

¶2. (SBU) Trade is made possible under a bilateral agreement concluded in June (ref B). Najdawi explained the agreement includes a mechanism for the issuance of import licenses by the Iraqi Agricultural Ministry to Iraqi importers who then contract with Jordanian suppliers. The process is designed to eliminate delays at the border and ease the trade flow. Such a mechanism was needed because Jordanian produce exports to Iraq generally were of the lowest grade and, as a result, not handled by experienced, reputable companies thus necessitating greater scrutiny at border crossings. (Note: Jordan grades its fruit and vegetable exports based on potential revenue. The highest value and best quality items are exported to European markets, and the medium to Gulf states. End note.)

¶3. (U) The resumption of the fruit and vegetable trade with Iraq, albeit limited, has contributed to a sharp increase in local prices ranging from 15 to 20 percent, although some also attribute the rise to the normal spike in consumable items during the month of Ramadan (ref A).

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